HOUSING MARKET INFORMATION

RENTAL MARKET REPORT

Manitoba Highlights*

Canada Mortgage and Housing Corporation

Date Released: December 2006

Highlights

- The average vacancy rate in Winnipeg CMA was 1.3 per cent in 2006.
- Rents increased in the CMA of Winnipeg to $709 per month for a two-bedroom apartment unit.
- Average rents in Brandon hit $600 per month
- Portage La Prairies sees an increase to vacancy rates to 6.8 per cent for 2006.
- In 2006, Thompson sees rents increase to $566 per month

Figure 1

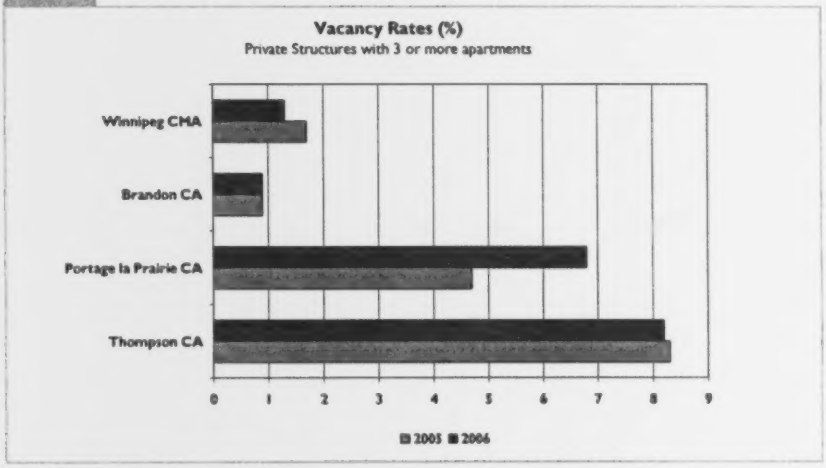
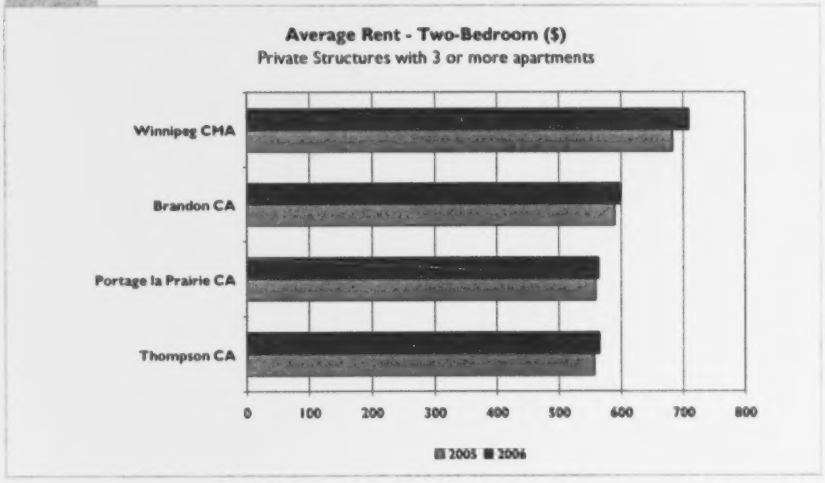


Figure 2



*Only centres with a population of 10,000 + are included in the survey. Detailed reports are available for CMAs.

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According to the results of Canada Mortgage Housing Corporation's (CMHC) annual Rental Market Survey, two of Manitoba's four urban centres reported a decline in vacancies in 2006. The vacancy rate in privately initiated rental apartments in Manitoba centres with population of 10,000 or more declined from 1.9 per cent in October 2005 to 1.6 per cent in October 2006.

After reaching to a five-year high of 1.7 per cent in 2005, the average vacancy rate in the Winnipeg Census Metropolitan Area (CMA) declined almost half a percentage point this year, reaching an average of 1.3 per cent. This represents the sharpest decline in vacancies in the Winnipeg CMA since 2001 and the largest decline recorded in the province this year. A slight decrease in the rental stock combined the arrival of new immigrant households contributed to the lower vacancy rate in 2006. Winnipeg continues to have one of the lowest vacancy rates among all CMAs in Canada. With the sharpest decline in vacancies across the province, the Winnipeg CMA also reported the strongest gain in average rents.

By excluding the impact of new structures built since the last survey and conversions from the calculation, we can get a better indication of the rent increase in existing structures. For the Winnipeg CMA, the average rent for a two-bedroom apartment in existing structures increased by 3.4 per cent in October 2006 compared to a year ago. This represents an increase above the rent control guideline of 2.5 per cent that was in effect for 2006. For new and existing structures, the two-bedroom average apartment rent climbed from $683 per month in 2005 to $709 in 2006.

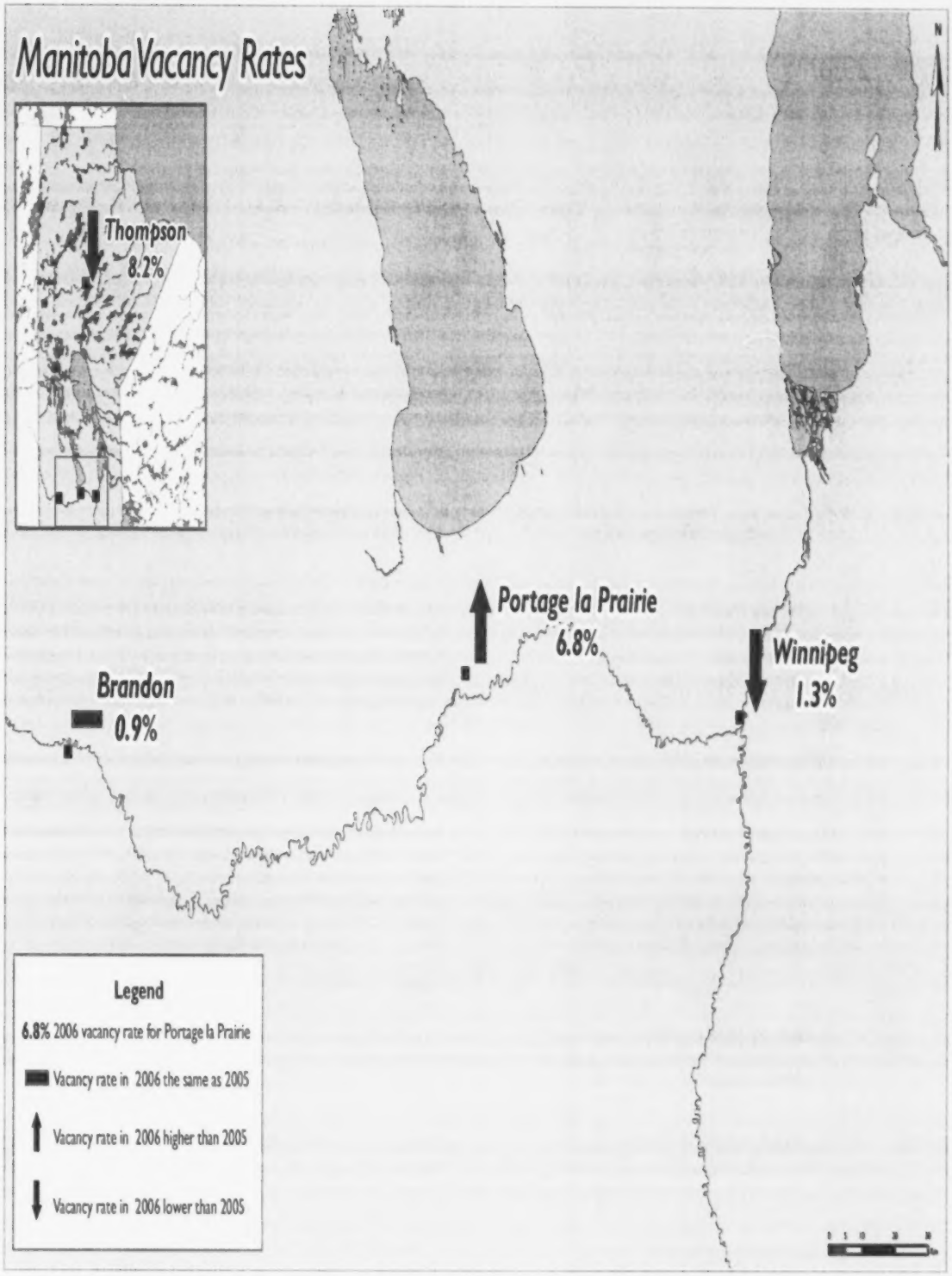
In the Brandon Census Agglomeration (CA), job creation is encouraging in-migration and the creation of new households. As a result, the apartment vacancy rate in Brandon continues to be the lowest in the province, sitting at or below one per cent for the third consecutive year. An increase in rental units failed to ease the pressure on the rental market as the vacancy rate remained at 0.9 per cent in 2006, the same rate recorded in 2005. The average rent for a two-bedroom apartment unit reached $600 per month.

The only CA in Manitoba to see an increase to the average vacancy rate was Portage La Prairie. Following a fairly pronounced decline in vacancies to 4.7 per cent last year, Portage La Prairie saw vacancies climb to 6.8 per cent in 2006, matching the record high recorded in 2003. One-bedroom suites were responsible for much of the increase, as the average vacancy rate in one-bedroom suites almost doubled 2005's level. The average rent for all unit types was $564 per month.

In Thompson, vacancy rates remained fairly stable in 2006, decreasing 0.1 percentage points since the 2005 survey to 8.2 per cent this year. While overall vacancies remain high, three-bedroom units saw their vacancy rate fall from 3.4 per cent last year to zero per cent in 2006. The average monthly rent for all unit types was $566.

Rental Market Survey – now also done in the spring

Starting in 2007, CMHC will be conducting a rental market survey in the spring, in addition to the one conducted in the fall. The results of the spring survey will be published in June and will provide centre-level information on key rental market indicators such as vacancy rates and average rents. This will give users access to more timely information on market trends.


Manitoba Vacancy Rates
Thompson
8.2%
Portage la Prairie
6.8%
Winnipeg
1.3%
Brandon
0.9%
N
Legend
6.8% 2006 vacancy rate for Portage la Prairie
Vacancy rate in 2006 the same as 2005
Vacancy rate in 2006 higher than 2005
Vacancy rate in 2006 lower than 2005

1.1.1 Private Apartment Vacancy Rates (%) by Bedroom Type Manitoba

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
Winnipeg CMA	3.1 a	2.2 a	1.8 a	1.4 a	1.4 a	1.1 a	1.1 a	0.7 a	1.7 a	1.3 a
Brandon CA	0.0 b	0.0 b	1.1 a	1.4 a	0.9 a	0.6 a	0.0 a	0.0 b	0.9 a	0.9 a
Portage la Prairie CA	12.8 a	11.8 a	4.5 a	8.7 a	4.1 b	4.8 a	4.7 a	4.8 a	4.7 a	6.8 a
Thompson CA	9.7 a	13.3 a	17.8 a	17.3 a	0.6 a	1.1 a	3.4 a	0.0 a	8.3 a	8.2 a
Manitoba 10,000+	**3.2 a**	**2.4 a**	**2.1 a**	**1.8 a**	**1.3 a**	**1.1 a**	**1.2 a**	**0.8 a**	**1.9 a**	**1.6 a**

The following letter codes are used to indicate the reliability of the estimates:
a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)
** Data suppressed to protect confidentiality or data is not statistically reliable
n/u: No units exist in universe for this category **n/s:** No units exist in the sample for this category **n/a:** Not applicable

Please click *Methodology* or *Data Reliability Tables Appendix* links for more details

1.1.2 Private Apartment Average Rents ($) by Bedroom Type Manitoba

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
Winnipeg CMA	405 a	420 a	539 a	557 a	683 a	709 a	795 a	839 a	589 a	608 a
Brandon CA	365 a	374 a	469 a	475 a	590 a	600 a	691 a	703 a	544 a	553 a
Portage la Prairie CA	301 a	305 a	445 a	446 a	559 a	564 a	468 b	536 a	494 a	501 a
Thompson CA	424 a	438 a	494 a	502 a	557 a	566 a	638 a	648 a	526 a	536 a
Manitoba 10,000+	**404 a**	**418 a**	**534 a**	**552 a**	**669 a**	**692 a**	**784 a**	**823 a**	**584 a**	**602 a**

The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation):
a – Excellent ($0 \le cv \le 2.5$), b – Very good ($2.5 < cv \le 5$), c – Good ($5 < cv \le 7.5$)
d – Fair (Use with Caution) ($7.5 < cv \le 10$)
** Data suppressed to protect confidentiality or data is not statistically reliable
n/u: No units exist in universe for this category **n/s:** No units exist in the sample for this category **n/a:** Not applicable

Please click *Methodology* or *Data Reliability Tables Appendix* links for more details

1.1.3 Number of Private Apartment Units Vacant and Universe in October 2006 by Bedroom Type Manitoba

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total
Winnipeg CMA	92 a	4,163	388 a	27,658	219 a	19,967	8 a	1,106	707 a	52,895
Brandon CA	0 b	99	15 a	1,024	12 a	1,811	0 b	49	26 a	2,984
Portage la Prairie CA	4 a	34	23 a	263	15 a	312	1 a	21	43 a	630
Thompson CA	8 a	60	112 a	648	9 a	829	0 a	28	129 a	1,565
Manitoba 10,000+	**104 a**	**4,356**	**538 a**	**29,593**	**255 a**	**22,920**	**9 a**	**1,205**	**906 a**	**58,074**

The following letter codes are used to indicate the reliability of the estimates:
a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)
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n/u: No units exist in universe for this category **n/s:** No units exist in the sample for this category **n/a:** Not applicable

Please click *Methodology* or *Data Reliability Tables Appendix* links for more details

1.1.4 Private Apartment Availability Rates (%) by Bedroom Type Manitoba

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
Winnipeg CMA	3.9 a	2.9	2.6 a	2.0	2.2 a	1.8	2.1 a	1.3	2.5 a	2.0
Brandon CA	4.1 b	1.1	3.2 a	2.5	2.4 a	1.6	0.0 a	0.0 b	2.7 a	1.9
Portage la Prairie CA	16.1 a	17.6	5.7 a	9.1	4.4 b	6.1	4.7 a	9.5	5.6 a	8.1
Thompson CA	9.7 a	13.3	17.8 a	17.3	0.6 a	1.1	3.4 a	0.0	8.3 a	8.2
Manitoba 10,000+	**4.1 a**	**3.1**	**3.0 a**	**2.4**	**2.2 a**	**1.8**	**2.1 a**	**1.4**	**2.7 a**	**2.2**

The following letter codes are used to indicate the reliability of the estimates:
a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)
** Data suppressed to protect confidentiality or data is not statistically reliable
n/u: No units exist in universe for this category **n/s:** No units exist in the sample for this category **n/a:** Not applicable

Please click *Methodology* or *Data Reliability Tables Appendix* links for more details

METHODOLOGY FOR RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey** (RMS) every year in April and October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only privately initiated structures with at least three rental units, which have been on the market for at least three months. The data collected for a structure depends on whether it is an apartment or a row structure. The survey collects market rent, available and vacant unit data for all sampled structures. Most RMS data contained in this publication refer to privately initiated apartment structures.

The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of April/October, and the results reflect market conditions at that time.

CMHC's Rental Market Survey provides a snapshot of vacancy and availability rates, and average rents in both new and existing structures. This year, CMHC is also introducing a new measure for the change in rent that is calculated based on existing structures only. The estimate is based on structures that were common to the survey sample for both the 2005 and 2006 Rental Market Survey. The change in rent in existing structures is an estimate of the change in rent that the landlords charge and removes compositional effects on the rent level movement due to new buildings, conversions, and survey sample rotation. The estimate of per cent change in rent is available in the Rental Market Report – Canada Highlights and in the narrative section of the local Rental Market Reports. The rent levels in new and existing structures are also published. While the per cent change in rents in existing structures published in the reports are statistically significant, changes in rents that one might calculate based on rent levels in new and existing structures may or may not be statistically significant.

METHODOLOGY FOR SECONDARY RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts a survey of the **Secondary Rental Market** (SRMS) in September to estimate the relative strengths in the secondary rental market which is defined as those dwellings not covered by the regular RMS. CMHC has identified the following dwelling components to be included in SRMS:

- Rented single-detached houses.
- Rented double (semi-detached) houses (i.e.. Two units of approximate equal size and under one roof that are situated either side-by-side or front-to-back).
- Rented freehold row/town homes.
- Rented duplex apartments (i.e.. one-above-other).
- Rented accessory apartments (separate dwelling units that are located within the structure of another dwelling type).
- Rented condominiums (can be any dwelling type but are primarily apartments).
- One or two apartments which are part of a commercial or other type of structure.

The SRMS has three components which are conducted in selected CMAs:

- A Household Rent Survey of all households to collect information about rents.
- A Condominium Apartment Rent Survey of households living in condominium apartments to collect information about rents.
- A Condominium Apartment Vacancy Survey of condominium apartment owners to collect vacancy information.

All three surveys are conducted by telephone interviews. For the condominium apartment vacancy survey, information is obtained from the owner, manager, or building superintendent and can be supplemented by site visits if no telephone contact is made. For the other two surveys, information is collected from an adult living in the household. All surveys are conducted in September, and the results reflect market conditions at that time.

CMHC publishes the number of units rented and vacancy rates for the condominium vacancy survey. For the condominium rent and household rent surveys, the average rent is published. A letter code representing the statistical reliability (i.e., the coefficient of variation (CV)) for each estimate is provided to indicate the data reliability.

In 2006, rented condominium apartments were surveyed in the following CMAs: Vancouver, Calgary, Edmonton, Toronto, Ottawa, Montréal and Québec. Other secondary rental market units were surveyed in Vancouver, Toronto and Montréal.

DEFINITIONS

Availability: A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

Rental Apartment Structure: Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

Rental Row (Townhouse) Structure: Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

Vacancy: A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Definitions of Census Areas referred to in this publication are as follows:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

All data presented in this publication is based on Statistics Canada's 2001 Census area definitions.

Acknowledgement

The Rental Market Survey and the Secondary Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers, building superintendents and household members throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution, CMHC is able to provide information that benefits the entire housing industry.

CMHC – HOME TO CANADIANS

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